

## **EXHIBIT 53**



**STRICTLY PRIVATE AND CONFIDENTIAL**

March 22, 2012

To:

Keppel FELS Brasil S.A.  
Rua da Assembleia, 10 – 2013,  
Zip Code 22261-005, Rio de Janeiro, RJ, Brazil

Estaleiro BrasFELS Ltda.  
Rua da Assembleia, 10 – 2013,  
Zip Code 22261-005, Rio de Janeiro, RJ, Brazil

Attention: Kwok Kai Choong, Chief Executive Officer/President

Re.: EPC Contracts for International Invitation No.0966646118

Dear Sirs:

1. Reference is made to the recent negotiations by and among the subscriber hereof – Sete Brasil Participações S.A. (“Sete Brasil”), Estaleiro BrasFELS Ltda. (“BrasFELS”) and Keppel FELS Brasil S.A. (“KeppelFELS” together with BrasFELS the “FELS Companies” and the FELS Companies together with Sete Brasil, the “Parties”), regarding the construction of five (5) semi-submersible drilling rig units in accordance with the requirements and technical specification set out in the International Invitation No.0966646118 released by Petróleo Brasileiro S.A. – Petrobras (“Petrobras”) on June 03, 2011 (each a “Unit” and together “Units”), for purposes of utilization in the exploration of oil in ultra-deep waters (“Project”) and the terms of your commercial proposal sent to Sete Brasil on July 9, 2011 and further revised on September 27, 2011 with regard to the construction of the Units, including the price for the construction of each Unit as well as the attachments to this letter agreement (collectively the “Proposal”).

2. In connection with the implementation of the Project, Sete Brasil and the FELS Companies hereby express their firm intent to purchase and construct, respectively, five (5) Units each under an Engineering, Procurement and Construction Contract, to be entered into by and between Sete Brasil (through an affiliate to be incorporated), as owner, and BrasFELS (or an affiliate, in accordance with paragraph 3 below), as contractor, respectively under each contract based on substantially in the same terms and conditions of the Engineering, Procurement and Construction Contract, entered into by and between Urca Drilling B.V. and Fernvale Pte. Ltd., on December 16, 2011 including its exhibits, in particular Exhibit XXVIII – Contractor Documentation (“EPC Contracts”) and the Proposal.

3. To the extent that *Fundo de Garantia de Construção Naval - FGNC* expressly agrees to approve an affiliate of BrasFELS, Sete Brasil agrees to adjust the EPC Contract accordingly.

4. Sete Brasil (through an affiliate to be incorporated) agrees to pay as down payment the equivalent of two percent (2%) of the contract price per EPC Contract (as set forth in the Price Schedule for each Unit and the individual cash flow for each Unit as per the attachment), to be entered into pursuant to this

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letter agreement within ten (10) banking days from the execution of this letter agreement to bank account(s) to be designated by BrasFELS and that the remaining two percent (2%), to complete the four percent (4%) down payment, as established in the proposal for each Unit, shall be invoiced according the EPC Contracts conditions and after the execution of each EPC Contract.

5. The Parties further agree (i) to finalize the terms and conditions of the EPC Contracts based on the Proposal; (ii) to reach a final agreement in connection with item (i) above in order to execute the EPC Contracts no later than the execution of the charter agreements to be entered by the affiliates of Sete Brasil and Petrobras or 60 (sixty) days from the execution of this letter agreement, extendable for an additional 30 (thirty) days upon mutual agreement of the Parties, whichever happens first ("Final Execution Date"); and (iii) to obtain the necessary corporate approvals to the extent applicable, prior to the aforesaid date. For the purposes of this letter agreement the Final Execution Date shall be informed by Sete Brasil to the FELS Companies by means of a written notice to be sent to the address indicated above.

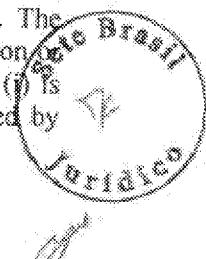
6. In view of the foregoing, the Parties also agree that BrasFELS (or an affiliate, in accordance with paragraph 3 above), as the contractor under each of the EPC Contracts, shall already start to perform the works and activities related to the construction of the Units, as provided for in the Proposal in accordance with the Preliminary Schedule of Works, a Local Content Breakdown Plan and Locations of Hull Construction, attached herein.

7. The Parties further agree that the Notice to Proceed (as defined in the EPC Contracts) shall be issued under the EPC Contracts no later than the Final Execution Date and shall establish that the commencement of the Works shall be considered the date of execution of this letter agreement.

8. If Sete Brasil (or its affiliate, as the case may be) refuses to execute or fails to enter into the EPC Contracts on or before the Final Execution Date, Sete Brasil shall reimburse any reasonable and duly documented costs incurred by BrasFELS (or its affiliate, as the case may be), after the date of this letter agreement and in connection with the performance of the works and activities related to the construction of the Units as set forth herein, up to an amount equivalent of four percent (4 %) of the price for each Unit, less any amounts advanced by Sete Brasil pursuant to this letter agreement. If BrasFELS (or its affiliate, as the case may be) refuses to execute or fails to enter into the EPC Contracts on or before the Final Execution Date BrasFELS shall promptly cause to be reimbursed to Sete Brasil, without further notice, any amount advanced by or on behalf of Sete Brasil pursuant to paragraph 4 above per EPC Contract that is not executed. In either event, the remedies mentioned in this paragraph and shall be the sole remedy of the Parties.

9. This letter agreement constitutes the entire agreement between the Parties and supersedes all prior letters, agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or in written, express or implied, with respect to the subject matter hereof. This letter agreement shall remain binding and in full force and effect, unless otherwise agreed in writing by the Parties hereto, until the execution and delivery of the EPC Contracts or, if the Parties fail to agree on the terms and conditions of the EPC Contracts, until the Final Execution Date.

10. In connection with the purposes of this letter agreement, each Party (the "Disclosing Party") may provide the other (the "Receiving Party") with confidential or proprietary information ("Confidential Information") pertaining to their business plans, technology and operations. The Receiving Party agrees that such Confidential Information must be used solely for the purposes of this letter agreement and that such Confidential Information or the fact of this letter agreement (or the contents thereof) must not be disclosed to any third party without the prior written consent of the Disclosing Party. Such information may only be disclosed to those employees of the Parties or potential partners in the operation of the Unit having a need to know it for the purpose of this letter agreement. However, the Receiving Party is entitled to make any disclosure of the Confidential Information (or the fact or contents of this letter agreement) where so required by law or order of a competent authority (or pursuant to the rules or requirements of any relevant stock exchange), provided that the Disclosing Party is given prior written notice. The confidentiality obligations and restrictions of use set forth in this clause shall survive the termination or expiration of this letter agreement. Confidential Information does not include information which (i) is known to the non-disclosing Party at the time of disclosure by the disclosing Party as evidenced by



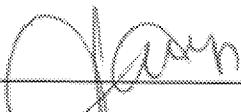
written records of the non-disclosing Party, (ii) has become publicly known and made generally available through no wrongful act or inaction of the non-disclosing Party, or (iii) has been rightfully received by the non-disclosing Party from a third party who is authorized to make such disclosure.

11. This letter agreement shall be governed exclusively by and construed and enforced in accordance with the laws of the Federative Republic of Brazil.

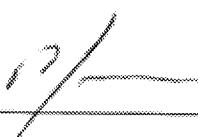
12. If the terms outlined above are acceptable to you, please execute this letter agreement and return an executed counterpart to us as evidence of your acceptance and agreement with its terms.

Yours truly,

SETE BRASIL PARTICIPAÇÕES S.A.



Name: João Carlos de Medeiros Ferraz  
Title: Chief Executive Officer



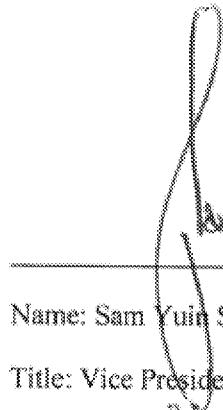
Name: Pedro José Barusco Filho  
Title: Chief Operations Officer

Acknowledged and agreed on 3/22/12 by:

KEPPEL FELS BRASIL S.A.

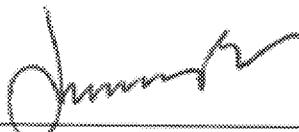


Name: Kwok Kai Choong  
Title: Chief Executive Officer/ President

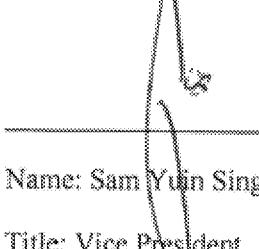


Name: Sam Yui Sing  
Title: Vice President

ESTALEIRO BRASFELS LTDA.



Name: Kwok Kai Choong  
Title: Chief Executive Officer/ President



Name: Sam Yui Sing  
Title: Vice President



Attachments:

- Keppel Fels proposal from 09/ July/2011
- Keppel Fels revised proposal from 27/ September/2011
- Keppel Fels letter to Sete Brasil dated 28/Nov/2011 and related emails
- Price schedule (equal for each Unit)
- Individual cash flow (for each Unit)
- Preliminary Schedule of Works (for each Unit)
- Local Content Breakdown Plan (for each Unit)
- Locations of Hull Construction (for each Unit)
- Minutes of Meeting dated March 20, 2012
- copy of the waiver letter in relation to Section 3.15 of the EPC Contract





Keppel FELS Limited  
(Co Reg No. 196700147N)  
50 Gu' Read  
Singapore 629351  
[www.keppelfels.com](http://www.keppelfels.com)

Tel: (65) 4863 7200  
Fax: (65) 6261 7719

**CONFIDENTIAL**

09<sup>th</sup> July 2011

Our Ref: Q/N087/11/SETE/R1

Sete Brasil  
Rua Nilo Pecanha 50  
Suite 409- Rio de Janeiro.

Attn: Mr. Pedro Barusco

Dear Sir,

**REVISED PROPOSAL FOR NEWBUILD DSS38E-DP3 SEMISUBMERSIBLE RIGS**

Reference to your email dated 06<sup>th</sup> July 2011, our team here has been working hard to review our cost in order to provide Sete Brasil the most attractive proposal in pursuit of this contract. However, the escalations of labour rates and equipment prices, together with the devaluation of currencies have caused significant impact on our construction cost.

However, to reinforce our interest in this project with Sete Brasil, we hereby present our revised proposal for Semi Submersible Drilling Rig based on our DSS38E-DP3 design. Our firm proposal is as follows:

**1. PRICE & DELIVERY**

Our firm price to provide design, engineering, procurement of materials and equipment to construct the one unit of KFELS DSS38E-DP3 delivery ex-yard will be United States Dollars Eight Hundred Nine Million and Eight Hundred Thousand (US\$809,800,000/-).

The price above is based on seven (7) units contracted as a package with delivery schedule tabulated below:



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KFELS DSS 38E-DP3 Semisubmersible Rigs  
Page 2 of 3

Slot	Delivery of unit from contract award
1	48 months
2	58 months
3	66 months
4	74 months
5	82 months
6	90 months
7	98 months

This amount is pegged at USD\$1.00=R\$1.56 applying the escalations formula set out in Appendix A

Prices offered as our base case do not include any projected price escalations during construction duration. The formulas to cover these escalations, if any, are set forth in Appendix A - Proposed Price Escalation Formula.

Should PNBV include escalation formula prior the contract award, we shall work with you with an attempt to normalize these two formulas.

## 2. BASIS OF OFFER

The basis of our proposal is as follows:

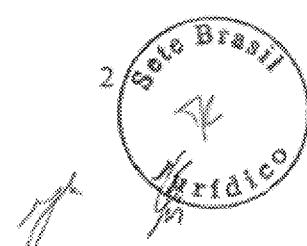
- a) KFELS DSS38E DP3 compliant to the requirements in Convite Internacional No 0966646118 dated 03<sup>rd</sup> June 2011 and circular letters up to Circular 2 with the following qualifications listed in Appendix B - List of qualifications to PNBV latest requirements

Exclusion includes:

- a) Supply, installation and commissioning of any Third party equipment (mud logging unit, wire-line logging unit, well test equipment, mud centrifuge etc).
- b) Drilling loose items (spiders, tubular, drill strings etc).

## 3. PAYMENT TERM

Our offer is based on mutually acceptable progress payment terms according to the milestones in our construction schedule. Due to the dynamics of shipyards operating in Brazil, we require the cashflow during the construction to be positive, hence we are open to discuss in details with Sets Brasil on the payment terms and payment currencies involved for these newbuild projects.



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KFELS DSS 38E-DP3 Semisubmersible Rigs  
Page 3 of 3

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#### 4. TERMS AND CONDITIONS

This offer shall remain valid for one hundred and twenty (120) days.

Based on our vast experiences of such newbuild projects, project management style varies broadly among different drilling contractors. This has a huge impact on the execution of the project and hence we would like to be notified of the drilling contractors who will be potentially be involved in this prospective project.

#### 5. CONFIDENTIALITY AGREEMENT

All information contained in the Proposal is confidential and will be held in strict confidence by the addressee. The information will not be disclosed, in any part thereof to any person, except to those employees, officers, directors and affiliates at all levels of the addressee who are involved in the tender process of the KFELS DSS38E-DP3 Semi Submersible Drilling Rig, on a need to know basis.

We look forward to continue working together with Sete Brasil to develop and realize this project. Should you have any clarifications, please do not hesitate to contact us. We look forward to a favorable response from you as soon as possible.

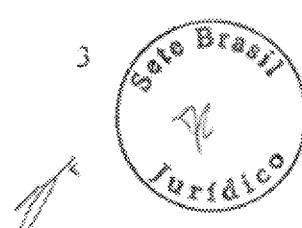
Yours faithfully,  
Keppel FELS Ltd



Chow Yew Yuen  
Managing Director  
Keppel Offshore and Marine

#### ATTACHMENTS:

- \* Appendix A: Proposed Price Escalation Formula
- \* Appendix B: List of qualifications to PNBV latest requirements



## Appendix A - Proposed Price Escalation Formula

### Brazilian Content Portion:

The Parties agree, however, that the amount related to the effectively proven Brazilian Local Content, according to Exhibit XVI of this Agreement shall be subject to the following formula:

$$PM = PO \times \frac{PTAXo}{PTAXm} \times Fy$$

Where:

PM : Monthly Adjusted Brazilian Local Content Amount in US dollars (or Euros);

PO : Contractual Payment, related to the effective Brazilian Local Content, in US Dollars (or Euros), determined in the monthly Measurement Report;

PTAXo : The sale foreign exchange rate of the US dollar (or Euro), published by Central Bank of Brazil on the data base system called SISBACEN, site PTAX 800 – Option 5, corresponding to two working days before the Contractor Commercial Proposal issued date;

PTAXm : The sale foreign exchange rate of the US dollar (or Euro), published by Central Bank of Brazil on the data base system called SISBACEN, site PTAX 800 – Option 5, corresponding to the last Business Day of the measurement period;

Fy : Yearly adjustment factor determined by the following parametric formula, calculated every twelve months counted from the Contractor Commercial Proposal issued date, to express the escalation costs related to the Brazilian Local Content:

$$Fy = 0,40 \times \frac{MO_n}{MO_o} + 0,40 \times \frac{FA_n}{FA_o} + 0,20 \frac{E_n}{E_o}$$

Where,

MO<sub>n</sub> : Definitive value of the Price Index corresponding to "Custo de construção - Mão-de-obra - Município do Rio de Janeiro - Coluna 10 - FGV (código A0159401)" representing the cost of man power, referred to the month preceding the one to which the adjustment is due.

MO<sub>o</sub> : Definitive value of the Price Index corresponding to "Custo de Construção - Mão-de-obra - Município do Rio de Janeiro - Coluna 10 - FGV (código A0159401)" representing the cost of man power, referred to the month preceding the one to which the Contractor Commercial Proposal was issued.

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Sete Brasil  
Jurídico  
M  
J

**FAn** : Definitive value of the Price Index corresponding to "*Indústria de Transformação - Metalurgia Básica - Coluna 30 - FGV (código 1006823)*", representing the cost of raw materials in the price composition, referred to the month preceding the one to which the adjustment is due.

**FAo** : Definitive value of the Price Index corresponding to "*Indústria de Transformação - Metalurgia Básica - Coluna 30 - FGV (código 1006823)*", representing the cost of raw materials in the price composition, referred to the month preceding the one to which the Contractor Commercial Proposal was issued.

**En** : Definitive value of the Price Index corresponding to "*Máquinas e Equipamentos — FGV série IPA-EP - Bens Finais - Bens de Investimento - Máquinas e Equipamentos (código 1004812)*", representing the cost of construction equipment in the price composition, referred to the month preceding the one to which the adjustment is due.

**Eo** : Definitive value of the Price Index corresponding to "*Máquinas e Equipamentos — FGV série IPA-EP - Bens Finais - Bens de Investimento - Máquinas e Equipamentos (código 1004812)*", representing the cost of construction equipment in the price composition, referred to the month preceding the one to which the Contractor Commercial Proposal was issued.

#### Foreign Content Portion

$$PM = PO \times Fy$$

Where:

PM: Adjusted Foreign Content Amount in U.S. Dollars.

PO: Portion of Contract Price corresponding to the Foreign Content in US Dollars included in the Measurement Report.

Fy: Yearly adjustment factor determined by the following parametric formula, calculated every twelve months, and counted from the Proposal Submission Date:

$$Fy = \frac{0.95 \times OFGME + 0.05 \times ECI}{OFGMEO \quad ECIo}$$

Where:

OFGME: Definitive value of the Price Index corresponding to "*Oil and Gas Field Machinery and Equipment (code PCU333132333132)*" published by "*United States Bureau of Labor Statistics Data - BLS*", for the month immediately preceding the month to which the adjustment is due (i.e., each twelve (12) month anniversary of the Proposal Submission Date).

OFGMEO: Definitive value of the Price Index corresponding to "*Oil and Gas Field Machinery and Equipment (code PCU333132333132)*" published by "*United States Bureau of Labor Statistics Data - BLS*", for the month immediately preceding the month in which Contractor's Commercial Proposal was submitted.

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**ECI:** Definitive value of the Price Index corresponding to "*Employment Cost Index, Total Compensation, Private Industry*" published by "*United States Bureau of Labor Statistics Data – BLS*", for the month immediately preceding the month to which the adjustment is due (i.e., each twelve (12) month anniversary of the Proposal Submission Date).

**ECI<sub>0</sub>:** Definitive value of the Price Index corresponding to "*Employment Cost Index, Total Compensation, Private Industry*" published by "*United States Bureau of Labor Statistics Data – BLS*", for the month immediately preceding the month in which Contractor's Commercial Proposal was submitted.



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## Appendix B - List of qualifications to PNBV technical requirements

S/N	PNBV Ref	Technical Description in Convite Nº 0966646118	KFELS Basis
1	2.2.2d	The UNIT shall be able to navigate between locations, with drill string and BHA in setback...	The UNIT shall be able to navigate between locations (up to 1 day), with drill string and BHA in setback
2	2.10.1	The unit shall have independent lines, for both boards, which enable the transfer of fluids of the active and reserve system, for tug boats and vice-versa, as well as the water, oil and bulks transfer, at any time, without interfering with drilling, manufacturing operations and/or drilling/completion fluid treatment and with the wash over of tanks.	Not Included.
3	9.2.2.	01 (one) shear ram type super-shear/casing-shear with capacity for cut of lining of 14" 113 lb/pé, grau Q-125 HC;	01 (one) super-shear/casing-shear type shear ram to cut the casing of 10 5/8", 89.3 ft-lb, grade P-110 and casing of 13 5/8", 88.2 ft-lb, grade P-110;
4	9.2.4.	A centralizer shall be provided to be used in BOP latch into BAP funnel, if supplied connector have external diameter below 72".	Not Included.
5	9.19.2.	Provide rigid tubing 3/8" ID, class pressure 5KPSI between the Main Deck (real) area and the platform (driller cabin) for connection of ANM EDS system with Jic 4 connections at the ends..	Not Included.
6	10.4	The electromagnetic brake system shall be exempted, in UNITS where the drilling winch acts as a active compensation system of movements or where their engines work in a regenerative form, and provided with disk brakes with braking capacity equal or superior to 3 times the load capacity of the winch.	The electromagnetic brake system shall be exempted, in UNITS where the drilling winch acts as a active compensation system of movements or where their engines work in a regenerative form, and provided with disk brakes with braking capacity equal or superior to 2 times the load capacity of the winch.



# BrasFELS

27<sup>th</sup> September 2011

Our Ref: Q/N087/11/SETE/R2

**SETE BRASIL PARTICIPAÇÕES S.A.**  
Rua Humaitá, 275, sala 1302  
CEP 22261-005, Rio de Janeiro - RJ

Attn: João Carlos de Medeiros Ferraz  
Pedro José Barusco Filho

Reference: Letter of Invitation dated of June 14, 2011  
Proposal for Newbuild DSS 38E-DP3 Semisubmersible Rigs

Dear Sir,

## PROPOSAL FOR NEWBUILD DSS38E-DP3 SEMISUBMERSIBLE RIGS

Reference to our latest discussion on latest round of Petrobras tenders, we hereby present our proposal for Semi Submersible Drilling Rig based on the KFELS DSS38E-DP3 design. Our firm proposal is as follows:

### 1. PRICE & DELIVERY

Our firm price & delivery schedule to provide design, engineering, procurement of materials and equipment to construct six (6) units of KFELS DSS38E-DP3 delivery ex-yard BrasFELS is presented as below. A Keppel FELS internationally designated company will execute the contract, and will subcontract the Brazilian portion of the work to BrasFELS Ltda.

BRASFELS S. A.

Av. Conde Mauricio de Nassau, s/n.,  
Jacarecanga  
23014-460 - Angra dos Reis, RJ  
Tel: (55)241 3361 1079  
Fax: (55)241 3361 3308



# BrasFELS

Slot	Price	Delivery of unit from contract award
1	USD798,000,000	48 months
2	USD812,160,000	58 months
3	USD812,160,000	66 months
4	USD812,160,000	74 months
5	USD812,160,000	82 months
6	USD812,160,000	90 months

The price above is based on six (6) units contracted as a package with delivery schedule tabulated above.

The portion of the price in R\$, as set forth in Appendix B hereto, is pegged at USD\$1.00=R\$1.56 applying the escalations formula set out in Appendix A.

Prices offered as our base case do not include any projected price escalations during construction duration. The formulas to cover these escalations, if any, are set forth in the draft EPC Contract Terms and Conditions (Contract Formula). However, as indices required for such Contract Formula may not be available, it is agreed that until such time as the Contract Formula Indices are available, we shall apply the escalation formula set out in the attached Appendix A - Proposed Price Escalation Formula.

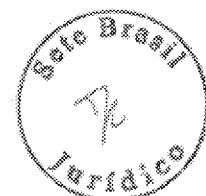
## 2. BASIS OF OFFER

The basis of our proposal is as follows:

- a) KFELS DSS38E DP3 is mainly based on the Charter Bid Specifications (where they are applicable to semisubmersibles). Should there be a requirement for the one shear ram type super-shear/casing-shear with capacity for cutting of lining of 14" 113 lb/pe, grau Q-125 HC, this shall be supplied at an additional cost of US\$3.7 million per unit.

BRASFELS S.A.

Estrada Rio-Santos, Km 81  
Jacuecanga  
23600-000 - Angra dos Reis, RJ  
Tel.: (22) 241 3361 6000/3457  
Fax: (22) 241 3361 3409



# BrasFELS

- b) The EPC Contract terms and conditions shall be mutually acceptable to the parties, including, but not limited to, those issues relating to FGCN and requirements to maintain the tax exemptions under the Brazilian tax regimes. The parties shall negotiate in good faith the terms and conditions.

## Exclusion includes:

- a) Supply, installation and commissioning of any Third party equipment (mud logging unit, wire-line logging unit, well test equipment, mud centrifuge, etc.).
- b) Drilling loose items (spiders, tubular, drill strings, etc.).

For avoidance of doubt, this offer supersedes any and all earlier proposals on the referenced subject matter.

## 3. PAYMENT TERM

The payment term for our offer is based on milestones payments according to our schedule as set out in the attached Appendix B: Details of payment schedule.

## 4. TERMS AND CONDITIONS

This offer shall remain valid for one hundred and twenty (120) days from 3<sup>rd</sup> October 2011 and we herewith provide a guarantee from our parent, Keppel FELS Brasil S.A., to guarantee the validity of this offer.

## 5. PROPOSED JOINT VENTURE STRUCTURE

For the first unit of the series, the proposed Joint Venture (JV) to own the unit shall be made up of a Keppel FELS Ltd designated company (10-20%), a Queiroz Galvão Óleo e Gás S.A designated company (20%) and a Sete Brasil designated company (60-70%). The proposed financing model for this project shall be 20% equity and 80% financing to be secured by Sete Brasil at terms mutually acceptable to all shareholders. The charter arrangement with Petrobras shall be at terms as mutually acceptable to shareholders as well.

BRASFELS S.A.

Estrada Rio-Santos, Km 81  
Jacarecanga  
23900-000 - Angra dos Reis, RJ  
Tel.: (55)(24) 3361 6000/3457  
Fax: (55)(24) 3361 3408



A handwritten signature in black ink, appearing to be a name like "Silveira".

A handwritten signature in black ink, appearing to be a name like "Silveira".

## BrasFELS

Any associated bonus from Petrobras for the 1st unit will be split 50%-50% between the JV and Keppel FELS Limited. All bonuses for any subsequent units will be 100% for Keppel FELS Limited.

This JV proposal is subjected to Keppel FELS Limited's Board Approval.

### 6. CONFIDENTIALITY AGREEMENT

All information contained in the Proposal is confidential and will be held in strict confidence by the addressee. The information will not be disclosed, in any part thereof to any person, except to those employees, officers, directors and affiliates at all levels of the addressee who are involved in the tender process of the KFELS DSS38E-DP3 Semi Submersible Drilling Rig, on a need to know basis.

We look forward to a favorable response from you as soon as possible.

Yours faithfully,

BrasFELS Ltda.

Sam Yuen Sing

Gilberto Israel

### ATTACHMENTS:

- Appendix A: Proposed Price Escalation Formula
- Appendix B: Details of payment schedule

BRASFELS S.A.

Estrada Rio-Santos, Km 81  
Jacuecanga  
23900-000 - Angra dos Reis, RJ  
Tel.: (21) 3361 6000/3437  
Fax: (21) 3361 3406



***BrasFELS***

Rio de Janeiro, 28 de Novembro de 2011.

To: SETE BRASIL PARTICIPAÇÕES S.A.

Rua Humaitá, 275, sala 1302

CEP 22261-005, Rio de Janeiro – RJ

Attn: Mr. Joao Carlos de Medeiros Ferraz

Mr. Pedro Jose Barusco Filho

Dear Sir,

Concerning our Proposal presented on September 27, 2011, in view of the signing on this date of the Letter of Intent for 1 (one) unit of DRU only and its related EPC Contract, we hereby inform that in respect of the 1<sup>st</sup> unit, the delivery in 48 months shall be deemed exhausted and no longer applicable.

Kindly acknowledge your same understanding of the foregoing by countersigning below.

Yours faithfully,



Kwok Kai Choong  
President/CEO

We, Sete Brasil Participações S.A., hereby confirm that the foregoing represents our understanding and agreement of the position.



Sete Brasil Participações S.A.

Estaleiro BrasFELS Ltda.  
Estrada Rio Santos, Km 81 S/Nº  
Jacuecanga -23905-000 - Angra dos Reis, RJ  
Tel.: (55)(24) 3361 6000  
Fax: (55)(24) 3361 6059



**Fabio Cunha**

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**De:** Tommy SAM  
**Enviado em:** segunda-feira, 19 de março de 2012 14:08  
**Para:** 'isabela.faria@setebr.com'  
**Cc:** 'zwi@eaglebr.com.br'; TAN Leong Peng [KFE-ENRG]; Kenneth CHONG [KOM-LEGAL]; 'fabio.cunha@setebr.com'  
**Assunto:** Re: LOI KFELS and Sete

Dear Isabela,

You are correct. The said letter sets out to clarify that the first unit in the proposal has been exhausted with the execution of the EPC contract for one drilling semi. The 2nd to the 6th units as stated in our proposal are still valid subject to the terms and conditions stated therein. Therefore, it does not amend, alter or otherwise change any provision related to the EPC Contract executed between Urca Drilling BV and Fervale Pte. Ltd on December 16, 2011.

Thanks

Best regards,  
Tommy Sam

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**From:** Isabela Faria [mailto:[isabela.faria@setebr.com](mailto:isabela.faria@setebr.com)]  
**Sent:** Monday, March 19, 2012 09:25 PM  
**To:** Tommy SAM  
**Cc:** [zwi@eaglebr.com.br](mailto:zwi@eaglebr.com.br) <[zwi@eaglebr.com.br](mailto:zwi@eaglebr.com.br)>; TAN Leong Peng [KFE-ENRG]; Kenneth CHONG [KOM-LEGAL]; [fabio.cunha@setebr.com](mailto:fabio.cunha@setebr.com) <[fabio.cunha@setebr.com](mailto:fabio.cunha@setebr.com)>  
**Subject:** LOI KFELS and Sete

Dear Tommy:

We refer to the attached letter.

This is to confirm our understanding that the intent of the attach letter is to amend your proposal presented on September 27, 2011 specifically in relation to the first unit sets forth in the aforesaid proposal. The attached letter does not amend, alter or otherwise change any provision related to the EPC Contract executed between Urca Drilling BV and Fervale Pte. Ltd on December 16, 2011.

Please confirm this understanding.

Best regards,

Isabela Faria



BRASFELS LTDA.		CONTRACT SETE-SPC Drilling B.V. DRU#1 - EXHIBIT XVI
DRILLING RIG UNIT 2		
EXHIBIT XVIII - EPC PRICE SCHEDULE		Sheet: 1/1
1	PRICE SCHEDULE "A"	
Lump-sum price for supplying 1 DRILLING RIG UNIT, as established in item 9.2.1 of the Contract.		
ITEM	DESCRIPTION	
1	SCHEDULE "A" - TOTAL PRICE  This amount shall correspond to the sum of partial prices paid in the currencies specified under Items 1.1, 1.2, and 1.3	
1.1	Price to be paid in US\$ (American Dollars)	US\$ 370,551,600
1.2	Price to be paid in € (Euros)	--0--
1.3	Price to be paid in R\$ (Brazilian Reais)	R\$ 706,518,384
1	TOTAL PRICE  Sum of partial prices as per items 1.1, 1.2 and 1.3 CONVERTED TO US\$ AMERICAN DOLLARS AT US\$1 = R\$ 1.56	US\$ 823,448,000
OWNER	BIDDER	DATE
SETE-SPC Drilling B.V.		BASE DATE FOR ESCALATION: JULY 09 2011

### A) Agreed Changes to Technical Specification

#### 1. Keppel Sette Comment List B -

S/N	Title	Final Status	Accepted Price (US\$)
19	19.6.3 - A complete system for storing and mixing the mud with other required fluids like water, brine/base oil etc.	Item Closed. Commercially Agreed	\$155,960.00

#### 2. Keppel Sette Comment List A -

Item	Title	Final Status	Accepted Price (US\$)
9	Doors in accommodation	Item Closed. Commercially Agreed	\$65,750.00
12	Private Bathroom and toilets	Item Closed. Commercially Agreed	\$32,400.00
26	Sea Water Cooling System	Item Closed. Commercially Agreed	\$6,499,350.00
32	Oily water separator	Item Closed. Commercially Agreed	\$98,000.00
65	Mud system	Item Closed. Commercially Agreed	\$372,400.00
75	BOP and Diverter Control System	Item Closed. Commercially Agreed	\$277,550.00
85	Choke and Kill Manifold	Item Closed. Commercially Agreed	\$84,700.00
94	Ballast system	Item Closed. Commercially Agreed	\$326,200.00
105	19.8.3-8.04 RISER (continuation)	Item Closed. Commercially Agreed	\$29,000.00
AA	BOP Shear Ram Upgrade	Item Closed. Commercially Agreed	\$3,700,000.00

Total Amount \$11,641,310.00

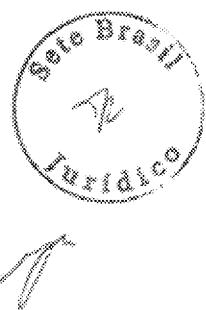
Overall Discount \$353,310.00

Agreed Amount \$11,288,000.00

B) Original Contract Price = US\$ 812,160,000.00

C) Final Contract Price = US\$ 823,448,000.00

(Original Contract Price + Agreed Amount)



BRASFELS LTDA.		CONTRACT SETE-SPC Drilling B.V. DRU#1 - EXHIBIT XVI
DRILLING RIG UNIT 3		
EXHIBIT XVIII - EPC PRICE SCHEDULE		Sheet: 1/1
1	PRICE SCHEDULE "A"	
	Lump-sum price for supplying 1 DRILLING RIG UNIT, as established in item 9.2.1 of the Contract.	
ITEM	DESCRIPTION	
1	SCHEDULE "A" - TOTAL PRICE This amount shall correspond to the sum of partial prices paid in the currencies specified under items 1.1, 1.2, and 1.3	
1.1	Price to be paid in US\$ (American Dollars)	US\$ 370,551,600
1.2	Price to be paid in € (Euros)	--0--
1.3	Price to be paid in R\$ (Brazilian Reais)	R\$ 706,518,384
1	TOTAL PRICE Sum of partial prices as per items 1.1, 1.2 and 1.3 CONVERTED TO US\$ AMERICAN DOLLARS AT US\$1 = R\$ 1.56	US\$ 823,448,000
OWNER	BIDDER	DATE
SETE-SPC Drilling B.V.		BASE DATE FOR ESCALATION: JULY 09 2011 <i>Sete Brazil</i> <i>Brasfels</i>

### A) Agreed Changes to Technical Specification

#### 1. Keppel Sette Comment List B -

S/N	Title	Final Status	Accepted Price (US\$)
19	19.6.3 - A complete system for storing and mixing the mud with other required fluids like water, brine/base oil etc.	Item Closed. Commercially Agreed	\$155,960.00

#### 2. Keppel Sette Comment List A -

Item	Title	Final Status	Accepted Price (US\$)
9	Doors in accommodation	Item Closed. Commercially Agreed	\$65,750.00
12	Private Bathroom and toilets	Item Closed. Commercially Agreed	\$32,400.00
26	Sea Water Cooling System	Item Closed. Commercially Agreed	\$6,499,350.00
32	Oily water separator	Item Closed. Commercially Agreed	\$98,000.00
65	Mud system	Item Closed. Commercially Agreed	\$372,400.00
75	BOP and Diverter Control System	Item Closed. Commercially Agreed	\$277,550.00
85	Choke and Kill Manifold	Item Closed. Commercially Agreed	\$84,700.00
94	Ballast system	Item Closed. Commercially Agreed	\$326,200.00
105	19.8.3-8.04 RISER (continuation)	Item Closed. Commercially Agreed	\$29,000.00
AA	BOP Shear Ram Upgrade	Item Closed. Commercially Agreed	\$3,700,000.00

Total Amount \$11,641,310.00

Overall Discount \$353,310.00

Agreed Amount \$11,288,000.00

### B) Original Contract Price = US\$ 812,160,000.00

### C) Final Contract Price = US\$ 823,448,000.00

(Original Contract Price + Agreed Amount)



BRASFELS LTDA.	CONTRACT SETE-SPC Drilling B.V. DRU#1 - EXHIBIT XVI	
DRILLING RIG UNIT 4		
EXHIBIT XVIII - EPC PRICE SCHEDULE		Sheet: 1/1
1	PRICE SCHEDULE "A"	
Lump-sum price for supplying 1 DRILLING RIG UNIT, as established in item 9.2.1 of the Contract.		
ITEM	DESCRIPTION	
1	SCHEDULE "A" - TOTAL PRICE	
This amount shall correspond to the sum of partial prices paid in the currencies specified under items 1.1, 1.2, and 1.3		
1.1	Price to be paid in US\$ (American Dollars)	US\$ 370,551,600
1.2	Price to be paid in € (Euros)	--0--
1.3	Price to be paid in R\$ (Brazilian Reals)	R\$ 706,518,384
1	TOTAL PRICE	US\$ 823,448,000
Sum of partial prices as per items 1.1, 1.2 and 1.3 CONVERTED TO US\$ AMERICAN DOLLARS AT US\$1 = R\$ 1.56		
OWNER	BIDDER	DATE
SETE-SPC Drilling B.V.	OF	Brasilia, Brazil BASE DATE FOR ESCALATION : JULY 09 2011

**A) Agreed Changes to Technical Specification****1. Keppel Sette Comment List B -**

S/N	Title	Final Status	Accepted Price (US\$)
19	19.6.3 - A complete system for storing and mixing the mud with other required fluids like water, brine/base oil etc.	Item Closed. Commercially Agreed	\$155,960.00

**2. Keppel Sette Comment List A -**

Item	Title	Final Status	Accepted Price (US\$)
9	Doors in accommodation	Item Closed. Commercially Agreed	\$65,750.00
12	Private Bathroom and toilets	Item Closed. Commercially Agreed	\$32,400.00
26	Sea Water Cooling System	Item Closed. Commercially Agreed	\$6,499,350.00
32	Oily water separator	Item Closed. Commercially Agreed	\$98,000.00
65	Mud system	Item Closed. Commercially Agreed	\$372,400.00
75	BOP and Diverter Control System	Item Closed. Commercially Agreed	\$277,550.00
85	Choke and Kill Manifold	Item Closed. Commercially Agreed	\$84,700.00
94	Ballast system	Item Closed. Commercially Agreed	\$326,200.00
105	19.8.3-8.04 RISER (continuation)	Item Closed. Commercially Agreed	\$29,000.00
AA	BOP Shear Ram Upgrade	Item Closed. Commercially Agreed	\$3,700,000.00

Total Amount \$11,641,310.00

Overall Discount \$353,310.00

Agreed Amount \$11,288,000.00**B) Original Contract Price = US\$ 812,160,000.00****C) Final Contract Price = US\$ 823,448,000.00**

(Original Contract Price + Agreed Amount)



A handwritten signature in black ink, appearing to be a stylized "W".

A handwritten signature in black ink, appearing to be a stylized "T".

BRASFELS LTDA.		CONTRACT SETE-SPC Drilling B.V.
DRU#1 - EXHIBIT XVI		
DRILLING RIG UNIT 5		
EXHIBIT XVIII - EPC PRICE SCHEDULE		Sheet: 1/1
1	PRICE SCHEDULE "A"	
	Lump-sum price for supplying 1 DRILLING RIG UNIT, as established in item 9.2.1 of the Contract.	
ITEM	DESCRIPTION	
1	SCHEDULE "A" - TOTAL PRICE This amount shall correspond to the sum of partial prices paid in the currencies specified under items 1.1, 1.2, and 1.3	
1.1	Price to be paid in US\$ (American Dollars)	US\$ 370,551,600
1.2	Price to be paid in € (Euros)	--0--
1.3	Price to be paid in R\$ (Brazilian Reais)	R\$ 706,518,384
1	TOTAL PRICE Sum of partial prices as per items 1.1, 1.2 and 1.3 CONVERTED TO US\$ AMERICAN DOLLARS AT US\$1 = R\$ 1.66	US\$ 823,448,000
OWNER	BIDDER	DATE
SETE-SPC Drilling B.V.		BASE DATE FOR ESCALATION: JULY 09 2011

*[Handwritten signatures and initials over the bottom right corner]*

*[Circular stamp reading "Sete SPC Drilling B.V. Juridico" with initials "AB" over it]*